



Lassila & Tikanoja plc

31 July 2007

Jari Sarjo, President and CEO

Highlights of Q207

- Growth in net sales 28.0% (yoy)
 - Strong organic growth continued being 9.5% (yoy)
 - thanks to well-functioning product development, marketing and sales
 - Strong demand in Industrial Services
- Operating profit grew by 8.9% (yoy)
 - Significant improvement in the result of operations in Industrial Services
 - Operating loss of EUR 1.1 million caused by landfill construction business of joint venture Salvor Oy
- The loss on the landfill construction contracts of Salvor, the loss on the disposal of this business and imputed changes in the fair values of oil derivatives have a combined negative effect of EUR 0.07 on earnings per share for the first six months.

Highlights of Q207

Environmental Services

- Strong organic growth continued
- Significant new service agreements
- Operations in Russia expanded
- Joint venture Salvor burdened operating profit by EUR 1.1 million; the business running at a loss was sold
- L&T Biowatti's net sales and profit developed as planned

Property and Office Support Services

- Organic growth fairly good, intense competition continued
- Two acquisitions in the Helsinki region in June, combined net sales in 2006 totalling EUR 12 million (income statements not included in the reported figures)
- Foreign operations continued to run at a loss as anticipated

Industrial Services

- Strong organic growth continued in every product line
- Performance improved as a result of strong demand and improved productivity
- Changes in fair values of oil derivatives burdened operating profit by EUR 0.5 million

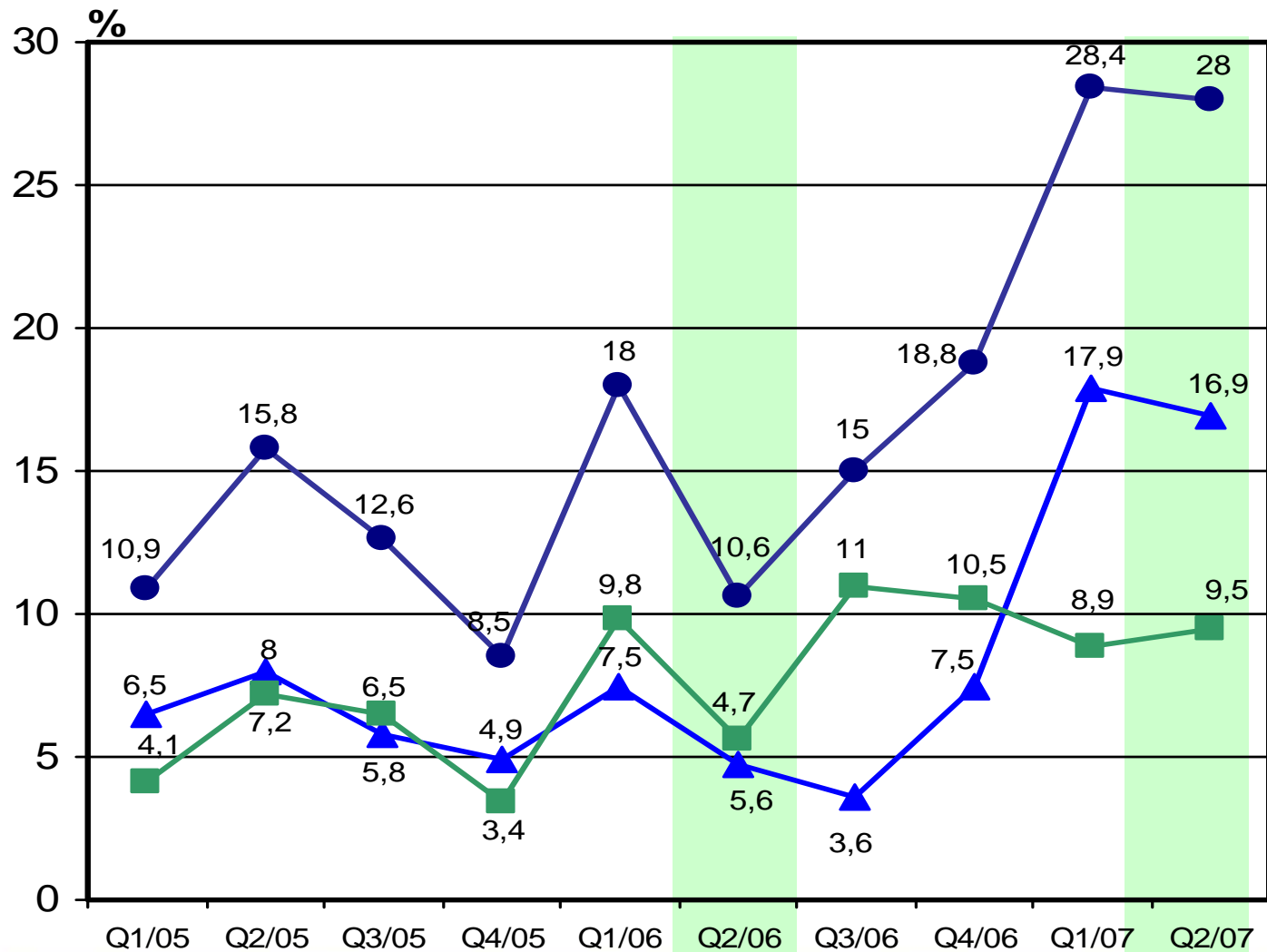
Financial summary

	Q207	Q206	Change %	Q1-Q4 /2006
Net sales, EUR million	138.8	108.4	28.0	436.0
Operating profit, EUR million	12.0	11.1	8.9	50.2
Operating margin, %	8.7	10.2		11.5
Profit before taxes, EUR million	11.1	10.7	4.2	48.5
Earnings per share, EUR	0.20	0.20		0.90
EVA, EUR million	6.0	5.7	5.3	28.6

Net sales by division

EUR million	H107	H106	Change %
Environmental Services	138.0	98.8	39.7
Property and Office Support Services	97.4	82.4	18.2
Industrial Services	34.9	29.6	17.6
Group administration and other Inter-division net sales	-2.4	-1.9	
Total	267.9	209.0	28.2

Growth of net sales 2005 - 2007



	2006	2005	2004
Total	15.5%	11.9%	9.9%
Acquisitions	5.8%	6.3%	6.9%
Organic	9.2%	5.3%	2.8%

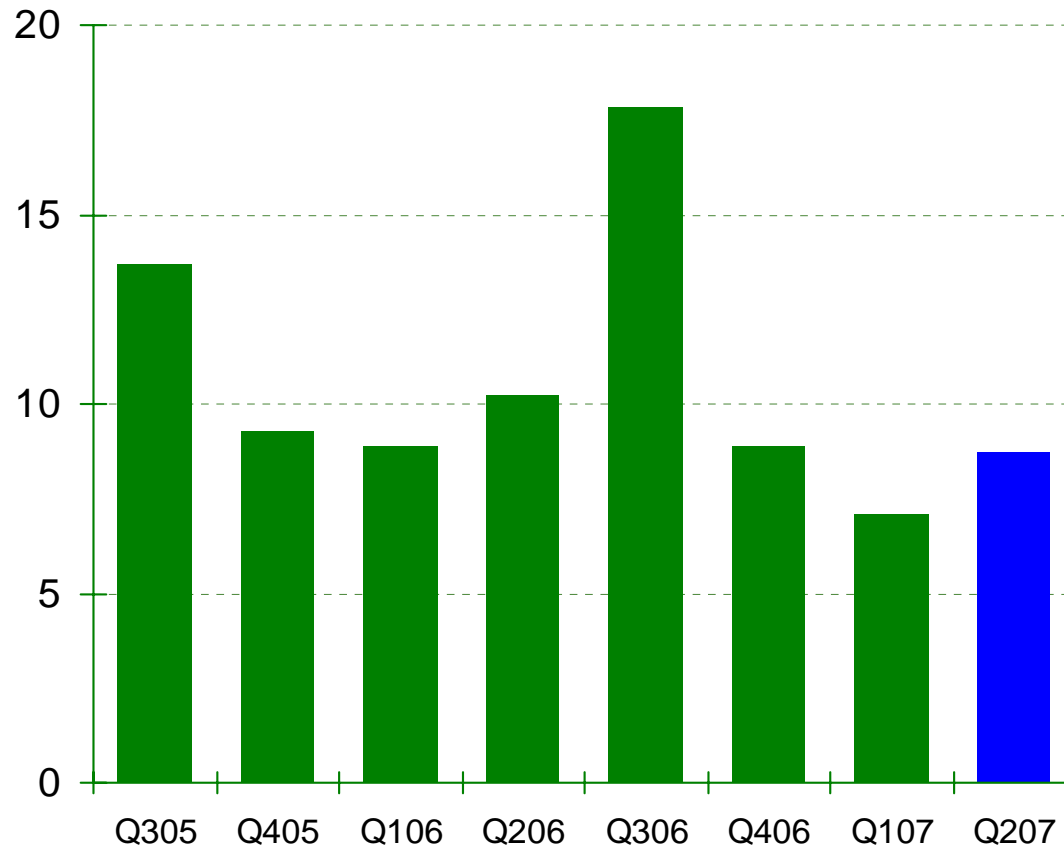
Earnings by division

EUR million	H107	H106	Change %
Environmental Services	16.7	15.1	10.2
Property and Office Support Services	2.8	2.8	0.2
Industrial Services	2.7	3.1	-13.0
Group administration and other	-0.9	-0.9	
Total operating profit	21.2	20.0	5.9
Operating margin	7.9	9.6	

Key figures

	Q207	Q206	H107	H106	2006
Earnings/share, EUR	0.20	0.20	0.35	0.36	0.90
Return on equity, % (ROE)			15.9	18.1	21.2
Return on invested capital, % (ROI)			16.1	17.3	21.0
Equity ratio, %			42.2	46.3	50.4
Gearing, %			61.2	55.4	29.7
EVA, EUR million	6.0	5.7	9.6	9.5	28.6
Capital expenditure, EUR million	17.5	8.7	64.7	23.8	47.2
Depreciation and amortisation, EUR million	8.1	6.8	15.8	13.8	28.2
Total number of full-time and part-time employees at end of period			9,486	8,542	8,328

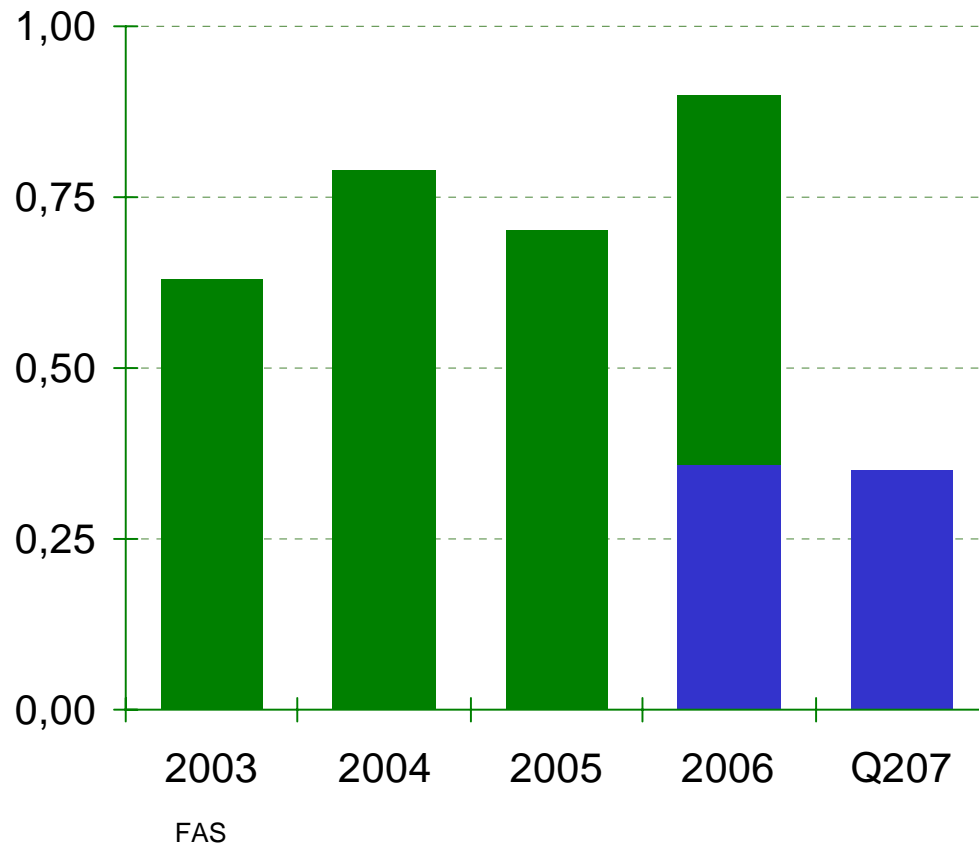
Operating margin by quarter



Operating margin by division Quarterly figures

%	Q207	Q107	Q1- Q406	Q406	Q306	Q206	Q106	Q1- Q405	Q405	Q305
Environmental Services	11.2	13.1	15.7	13.3	18.9	15.1	15.5	13.3	12.4	15.1
Property and Office Support Services	3.5	2.2	5.2	2.6	11.7	3.6	3.1	8.4	6.5	12.5
Industrial Services	13.8	0.1	14.9	16.5	20.9	13.8	6.0	8.2	6.3	14.3
Lassila & Tikanoja	8.7	7.1	11.5	8.9	17.8	10.2	8.9	10.4	9.3	13.7

Earnings per share



Prospects for the rest of the year 2007 (1)

The prospects for Lassila & Tikanoja's markets remain mostly good. The demand for Environmental Services in Finland will remain strong thanks to closures of old landfills by the end of November and amendments to waste legislation. Increasing plant capacity and a versatile service offering are expected to improve L&T's market position.

The market outlook for Property and Office Support Services in Finland is reasonable as outsourcing continues. The competitive situation is quite challenging, however, and margins will remain tight. The full-year result for cleaning operations abroad will be in the red but the loss is expected to be smaller than a year earlier.

The market outlook for Industrial Services is quite positive. Strong demand seems to continue, and L&T's position in the market is further strengthening.

The price of emission allowances (EUR per tonne of carbon dioxide) will substantially affect the pricing of renewable energy sources and thus the demand for them. The price level for the new emissions trading period starting as of the beginning of 2008 is currently around EUR 20. This is expected to improve the competitive ability of renewable energy sources and lead to a normalisation of purchasing volumes in the beginning of 2008. The Finnish government programme has brought the increased utilisation of forest processed chips into focus as the aim is to increase the proportion of renewable energy sources.

This estimate was made in July 2007 and was included in the Q207 interim report.

Prospects for the rest of the year 2007 (2)

During the current year, L&T Biowatti will strengthen the procurement of raw materials, increase stocks, improve its delivery capacity and thus prepare for increased demand in 2008.

The Joensuu recycling plant and the extensions to capacity at the Turku and Valkeakoski plants will be completed during the latter half of the year. The plant at Dubna in Russia will be completed in early 2008. The planning of new plants will continue. Due to completed corporate acquisitions and other investment decisions made, the full-year capital expenditure will exceed the previous year's level.

Organic growth is expected to continue at a healthy level. Full-year net sales are estimated to increase by clearly more than 20% but earnings per share are estimated to decline. The result of operations in the latter half of the year is estimated to remain at the previous year's level. The operating profit for the final half of the previous year was, however, boosted by non-recurring gains on disposals and imputed changes in the fair values of oil derivatives, totalling EUR 2.9 million.

This estimate was made in July 2007 and was included in the Q207 interim report.